

Information for Retail Stores Selling Pesticides and Paying Mill Assessment

Department of Pesticide Regulation/Mill Assessment Branch

What is the pesticide “mill assessment”?

California assesses a fee on all pesticide sales, **levied at the point of first sale into the state**. A “mill” is equal to one-tenth of a cent. In 2004, this “mill assessment” is 21 mills, or 2.1 cents per dollar of sales.

What is a pesticide?

A pesticide is any substance intended to control, destroy, repel, or attract a pest. Any living organism that causes damage or economic loss or transmits or produces disease may be the target pest. Pests can be animals (like insects or mice), unwanted plants (weeds), or microorganisms (like plant diseases or “germs,” that is, viruses and bacteria).

Before being sold or used in California, all pesticides must be registered with both the U.S. Environmental Protection Agency and the California Department of Pesticide Regulation (DPR).

Pesticide products typically sold in retail stores include:

Types (and product examples)	Pests that are controlled
Algicides (pool chlorine)	Algae
Disinfectants & sanitizers (toilet bowl cleaner)	Bacteria, viruses, mold, mildew
Fungicides (rose dust)	Fungi on plants – powdery mildew
Herbicides (weed killer)	Unwanted plants
Insecticides (ant or roach spray)	Insects and other “bugs”
Molluscicides (snail bait)	Slugs and snails
Repellants (mosquito repellent)	Mosquitoes, ticks
Rodenticides (rat poison)	Mice and other rodent pests

Where do mill assessment revenues go?

Mill assessment revenues are placed in a special fund used to pay for the State’s pesticide regulatory program. DPR is the State lead agency charged with enforcing all aspects of pesticide sales and use in California to protect public health and the environment. DPR's programs are funded primarily from fees on pesticide registrations, professional licenses, and from the mill assessment.

Important Points About the Mill Assessment

- ▶ *Whoever makes the first sale of a pesticide product into California is responsible for paying the mill fee.*
- ▶ *Mill assessment must be paid on all pesticide sales, whether agricultural or non-agricultural products, no matter whether the seller is a DPR licensee.*

How is the mill assessment rate established?

The mill rate is currently limited by law to a maximum of 21 mills (2.1 cents). The rate is set in regulation by DPR (Title 3, California Code of Regulations, §6386), at a level adequate to support the Department's annual expenditures authorized by the Legislature and to provide a prudent reserve.

Who pays mill assessment?

The law (Food and Agricultural Code [FAC] section 12841) requires that mill assessment "shall be paid by the registrant . . . or other person **who first sold the pesticide for use in this state.**" (*Emphasis added.*)

The mill collection process

The mill assessment program is a 'self-assessment' system. DPR issues mill assessment reporting forms on a quarterly basis to companies that have pesticides registered for sale in California, and to licensed agricultural pesticide brokers and dealers. Sellers of pesticides labeled only for non-agricultural uses are not subject to licensing requirements. However, **mill assessment must be paid on all pesticide sales**, and DPR relies on voluntary cooperation from these non-licensed sellers to collect mill assessment due.

Recordkeeping requirements and DPR's audit authority

The law (FAC section 12842) requires that "every person who sells for use in this state any pesticide products that have been registered by (DPR) shall maintain in this state...an accurate record of all transactions subject to assessment....The records are subject to audit by (DPR) and shall clearly demonstrate proof of payment of all applicable assessments for each registered pesticide product...." These requirements apply to all pesticide sellers, whether they sell agricultural or non-agricultural pesticides.

How do retailers know if the mill assessment has been paid on product they sell?

The law (FAC section 12847) requires that invoices for all sales of pesticides into or within California must indicate payment of the mill assessment. Currently, retail sales of non-agricultural products are exempted from the invoicing requirement.

If you have questions, you can e-mail DPR's Mill Assessment Branch at MillAssessment@cdpr.ca.gov, or call 916-445-4159.

For more information, visit www.cdpr.ca.gov, or write MillAssessment@cdpr.ca.gov.